

October 8, 2022

Internal Revenue Service  
Austin, Texas 73301-0034

Certified Mail #7021 0950 0002 0005 8724  
Return Receipt #9590 9402 6475 0346 0198 41

I received a non-wet signature Letter ID LTR0012C, referencing Tax account number 18205-113-23110-2, referencing 0625709357, (hereafter referred to as "Notice") dated September 21, 2022 and received September 24, 2022.

I hereby submit a requested copy of the Notice along with:

- Form W-2-Corrected Form 4852
- Form 1099-R Distributions from Pensions – Corrected Form 4852
- (2) Form 1099-R IRA – Corrected Form 4852

To correct erroneous information supplied to the IRS, by the parties listed on Line 5 of each 4852. The form of which the "Payer" erroneously alleges that I, "Recipient" received payments from the "Payer" in the course of or connected to a "Trade or Business," Federal or Federally connected employment, investment, or other corporate profits or gains; excise taxable activities.

The Notice states **that I can submit the information in some substitute form.**

The information reported to you about us, is **Bad Payer Data** as described in the **Internal Revenue Manual, Part 4.2.1.24 (2):**

- **"Nontaxable income reported as taxable."**

We were not paid any money for services performed by us as defined in 26 U.S. Code § 7701 (a)(26): The term "trade or business" includes the performance of the functions of a public office. This individual and/or corporation have nothing to do with the performance of the functions of a public office.

At no time during the 2021 tax year did we, work in an occupation that would meet the definition of an "employee" as defined in 26 USC § 3401 (c): the term "employee" includes an officer, employee, or elected official of the United States, a State, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term "employee" also includes an officer of a corporation.

The payments made to us by these "Payer" did not result in "taxable income" or "wages" as defined in 26 USC § 3401 (a): the term "wages" means all remuneration (other than fees paid to

a public official) for services performed by an employee for his employer, including the cash value of all remuneration (including benefits) paid in any medium other than cash; except that such term shall not include remuneration paid— and § 3121 (a): the term “wages” means all remuneration for employment, including the cash value of all remuneration (including benefits) paid in any medium other than cash; except that such term shall not include as well as other Sections.

They were not required to report my private-sector payment. Their erroneous information of their submission of Form W2 does not match my correction of it.

All evidence to our knowledge concludes that the parties listed as “Payer” on these forms are NOT of a status which would render payments made to us, “Recipient”, subject to Federal or State income **excise tax**.

THE “PRIVILEGE EXCISE” PRINCIPLE is very simple. For the government to be able to charge an indirect, non-apportioned fee (tax) for engaging in an activity, the activity must be one done by permission of the government, rather than anything done by right. This makes “the things done” for which the fee can be charged necessarily and inherently an exercise of privilege. Payment of an excise tax is payment for the privilege of [x], in the most basic sense of that expression. The reciprocal, of course, is that such a tax can’t apply to things for which you don’t need government permission (like trading your labor for pay with anyone except the Federal Government, or engaging in any other economic activity not involving federal items). “Since the right to receive [commonly-defined] income or earnings is a right belonging to every person, this right cannot be taxed as privilege.”

"[T]axation on income [is] in its nature an excise, entitled to be enforced as such..."  
A unanimous Supreme Court in [Brushaber v. Union Pacific R. Co.](#), 240 U.S. 1 (1916), re-iterating its conclusion in [Pollock v. Farmer's Loan & Trust](#), 158 U.S. 601 (1895).

"[Although the Legislature may declare as privileges and tax as such for State revenue purposes those pursuits and occupations that are not matters of common right], the Legislature has no power to declare as a privilege and tax for revenue purposes occupations that are of common right."

"The right to engage in an employment, to carry on a business, or pursue an occupation or profession not in itself hurtful or conducted in a manner injurious to the public, is a common right, which, under our Constitution, as construed by all our former decisions, can neither be prohibited nor hampered by laying a tax for State revenue on the occupation, employment, business or profession. ... Thousands of individuals in this State carry on their occupations as above defined who derive no income whatever therefrom. But, where an income is derived from any occupation, business, profession or employment, then the Legislature may lay thereon a tax..."

[Sims v. Ahrens](#), 167 Ark. 557, 271 SW 720 594, 595 (Ark. 1925)

"The right to follow any of the common occupations of life is an inalienable right, "and,

"It has been well said that 'the property which every man has in his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of the poor man lies in the strength and dexterity of his own hands, and to hinder his employing this strength and dexterity in what manner he thinks proper, without injury to his neighbor, is a plain violation of this most sacred property'. Smith, Wealth of Nations, Bk. I, c. 10."

[Butcher's Union Co. v. Crescent City Co.](#), 111 U.S. 746 (1883)

"Included in the right of personal liberty and the right of private property- partaking of the nature of each- is the right to make contracts for the acquisition of property. Chief among such contracts is that of personal employment, by which labor and other services are exchanged for money or other forms of property".

[Coppage v. Kansas](#), 236 U.S. 1 (1915)

"As was said in the Thomas case, 192 U. S. 363, supra, the requirement to pay [excise] taxes involve the exercise of privileges..."

[Flint v. Stone Tracy Co.](#), 220 U.S. 107 (1911)

"Case law recognizes no distinction between a privilege tax and an excise tax. See Bank of Commerce & Trust Co. v. Senter, 260 S.W. 144, 148 (Tenn. 1924) ("Whether the tax be characterized in the statute as a privilege tax or an excise tax is but a choice of synonymous words, for an excise tax is an indirect or privilege tax."); American Airways, Inc. v. Wallace, 57 F.2d 877, 880 (M.D. Tenn. 1937) ("The terms 'excise' tax and 'privilege' tax are synonymous and the two are often used interchangeably."); see also 71 AM JUR. 2d State and Local Taxation §24, ("The term 'excise tax' is synonymous with 'privilege tax,' and the two have been used interchangeably. Whether a tax is characterized in the statute imposing it as a privilege tax or an excise tax is merely a choice of synonymous words, for an excise tax is a privilege tax.") Thus, the excise tax now before us is, by more complete description, purportedly an excise upon a particular privilege, assessed according to the quantity of substance possessed in enjoyment of such privilege."

[Waters v. Chumley](#), No. E2006-02225-COA-RV-CV Court of Appeals of Tennessee (2007)

"PRIVILEGE: A particular benefit or advantage enjoyed by a person, company, or class beyond the common advantages of other citizens. An exceptional or extraordinary power of exemption. A particular right, advantage, exemption, power, franchise, or immunity held by a person or class, not generally possessed by others."

[Black's Law Dictionary, 6th Edition](#)

For example:

"The 'Government' is an abstraction, and its possession of property largely constructive. Actual possession and custody of Government property nearly always are in someone who is not himself the Government but acts in its behalf and for its purposes. He may be an officer, an agent, or a contractor. His personal advantages from the relationship by way of salary, profit, or beneficial personal use of the property may be taxed..."

[United States v. County of Allegheny](#), 322 U.S. 174 (1944)

If there is any firsthand knowledge of any amounts reported other than what I claimed and sworn to under penalty of perjury, I will require 26 U.S. Code section 6201 (d) verification to support your position.

No further action is required by you other than to correct your information as I have reported it under penalty of perjury and respond to me that this matter is closed.

If officers/agents fail to rebut in writing with 30 days of receipt of the Response that with which they disagree, then they admit to all the above statements as truth and as fully binding upon them in any court of the United States of America without protest, objection, or that or those who represent you.

Under the penalties of perjury, I declare that I have examined the facts stated in this letter, including any accompanying documents, and to the best of my knowledge and belief, they are true, correct and complete.

Sincerely,

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Bruce A Comeau

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Andrea Comeau

Enclosures:

LTR0012C

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